App. F. IX-4

Previous References
Geol. 69-31-2-4, 4a, 4b ... 11 (Law) 1934.

(62)

File No. 53-34
Serial Nos. 1

Letter References.
Law Dept 64-35
D. 53-3[illegible]2-3

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One -

Part B for Oct-'35

SUBJECT.

Transfer of the properties of Balghat Gold Mines Ltd. in the K.G.F to the Nandydrug Mines Ltd.

WD 03607—GPB—22,500—2-8-35

M. Abdul Aziz
6.11.35

Serial No.

From,

The Director of Geology

No R. Dis 5/32-33 dt. 12.9.34 soliciting legal opinion on certain points raised in the matter of transfer of Balaghat Gold Mines, Ltd to the Nandy Droog Mines Ltd.

Submitted for perusal.

1) The same matter is being considered in reverse file now with the I Member vide Secl See'

(sd) mej 15/9/34

First Member

(sd) SS 15/9/34

2) Points 2 & 3 may be examined at once

(sd) K.M. 15/9

R.O.No.P 53 of 34 dated 19-2-34.

From 28-2-34 to SS on 19-9-34

3) Forwarded with Compliments to the Govt. Ad. for favour of opinion on points 2 & 3 raised in the P.W.D. The file may kindly be returned with opinion by the end of this week.

B.O.

M Narasaraju
19.9.34
For Secl See:

R.O.No. 86/34-35 dt 21-9-34

Returned with compliments.

A copy of the Release Deed dated 28-2-1934 connected with point No 3 is not sent with the file.

A

NOTE—Contn. Sheet.

I

WD 01955—GPB—22,500—12-5-34

1672 1535

File No. of 193 General and Revenue Secretariat

remember some points connected with the question f Stamp Duty payable on the Subsidiary Agreement ated August 1932 were considered in another file. his may kindly be put up and the file returned to e with a copy of the release deed referred to above.

Sect. 64-31. 4126 & 1c.

B

Government Advocate.

SN/21.9.34

1) Draft to Dir for 'A'
Please get the file refd to at 'B'.
from Dev Br.
XX
21.9.34

Calling for the release deed

1) Issue
24.9

Issued vide P. 1574 dt 25-9-34.

To.

Dev. Br (V.C.) for favour of putting file referred to in 'B'

TYPING 4.10 P.M. 24. SEP 19 GENL & R

REV. DEPT

DEVELOPMENT BRANCH

1SD. 26/9

1) The information desired is in Sect. File No 69-31 Sls 2-Gazette and the same has been taken by Mr P. Ramachandra Rao, Personal Clerk to the Fl. Secretary for D.no 1586/Fl.S. on 29-12-33. The file may, therefore be kindly obtained therefrom.

Vide Regn. 82

Prelim. Br. (W.C.)

Serial No.

to [illegible] forwarding a c
of the Release deed dated 15th March 1934.
Subject was ref[illegible] to here supra.

10) The Geological file referred to in para 6 supra
and the one re M[illegible]

The Geol. file 69-31 is obtained and [illegible]

G.O. No. P80 g34 dated 5/11/1934

11) Retransmitted with Compliments to the
For Ad... with reference to para 12 supra
B.O.

D.M. Peregrine
for Chief Secy
T.S.D.

G.O. No. 440/34-35
dt. 5.11.1934

G.O. No. 101/34-35
dt. 15.2.35.

Returned with compliments.

12) Point No. 2 raised by the Director of Geology:

In their letter of 24-3-1932 to their Shareholders, the Nundydroog Mines, Ltd., recommended the purchase of the Mining leases and other assets of the Balaghat Co., for a consideration of £ 40,000/- for the mining leases, mine workings, plant. engines etc.. belonging to the Balaghat Mines, and the stipulated percentage of the net profits derived from mining and milling the ore reserves. After these recommendations were accepted by the shareholders, the transaction was completed.

NOTE—Contn. Sheet.

This would suggest that the consideration for the sale of the Company's rights was £ 40,000/- and the profits agreed upon between the parties. The latter was later estimated for stamp duty at £ 21,000/-. If the Company has now realised more, it might be urged that the provisional estimate then made should be revised and the amount actually realised should be taken as the consideration for the Assignment, and stamp-duty paid thereon. But, para 4 of the above letter taken along with the Balaghat Company's circular letter to their shareholders in which the Directors state that the Nundydroog Company agree to recommend to their shareholders also to undertake the mining and milling of the Balaghat Company's remaining ore reserves on certain terms, suggests that the arragement re reserve ores was only an ordinary agreement to work the ore reserves on certain terms and as such was not an assign ment. The trend of the confidential note of the Chief Inspector of Mines, dated 13-4-1932 is also on the same lines. He says in para 2 'the ore reserves have dwindled down to a few months' supply and the working costs have gone up owing to smaller tonnage. Nundydroog Mine has great facilities to work the remaining tonnage with profit to both companies This lends support to the view that it is only ag agreement to work out the ore reserves on a profit sharing basis.

(5) When additional stamp duty was demanded on £21,000/- the Company seems to have agreed to pay it to save time, according to their cable dated 27-4-1932, stating at

Serial No.

the same time that £ 40,000/- is the full consideration.

(14) It may, therefore, be contended, with much force by the Company that the arrangement to mine and mill the ore reserves is only an agreement and not an assignment. It is, therefore, doubtful if the claim for additional stamp duty is tenable.

(15) But, as the Company accepted the claim of Government and agreed to pay stamp duty on £21,000/- on the basis of an assignment, a similar claim may be made now for a supplemental deed and for additional stamp duty thereon. What the attitude of the Company will be it is difficult to say as they seem to have then agreed to pay the additional duty to save time and more particularly to obtain the consent of Government to the assignment.

Point No. 3:-

(16) The Deed of 13-3-1934 amounts to a transfer or assignment of the rights of the Balagnat Mines and vests in the Nundydroog Mines the ore reserves which, I assume, are imbedded in the earth. I, therefore, think, it requires registration.

M. Macpherson Esqr
Government Advocate.
15.1.1935.

H.

17. Points 2 & 3 raised in the Director's letter of 14 Sept/r 1934 are examined in the above note of the Govt advocate.

Note–Contn. Sheet.

File No. of 193

General and Revenue Secretariat

18) As regards Point 1, it was examined in a separate file dealing with the Subject submitted - There is no information here whether the matter was pursued further and if so with what result.

Fin Secy)

18/2/35

Serial No.

Point 1 — The file was being dealt with in the Development Branch. May be transferred to that Branch

19)

25-2-35

Subd. The file relating to the renewal of the Kolar Gold Mining Leases was sent to the Secretary's Office.

Secy 24/3/35

24/3

Subd

2) The Dir in his letter dated 14/9/34, states that the amount of profits realised by the Balaghat Company on the ore reserves up to the end of Dec 1934 was £ 98,865-11-2. This amount is far in excess of the original estimated figure of £ 21,000/-. The Dir asked the Liquidator of the Company to pay a royalty to Govt on the profits realised. The latter's contention is that any payments made by me as Liquidator to the share-holders in this Company out of the sum of-

8

File No. of 193 : General and Revenue Secretariat

£ 98,865-11-2 ... would not constitute dividends within the meaning of the wording of the leases formerly held by this Company, but constitute distribution to contributories in the liquidation or a realisation of this Company's assets.

2) We have not yet had sight of the Deed giving his views in the matter, the Dir of Geol has merely forwarded the liquidator's letter for legal opinion & orders.

3) In this connection, Kind ref. is invited to the then 1st Member's minute dated 9/6/32 in the collection Geol 69-31 C 2-4, 49 etc. wherein orders were passed thereon that- "this point need not, however, be now raised"

4) In this office letter No. 5402/Geol 69-31-6a dt 30/6/32 it was stated "that pending other formalities, the Nundydroog mine may be permitted to work the Balaghat mine with effect from 1st May 1932. Formal orders will be issued in due course."

5) The grant of the exemptions asked for in the papers dealt with by the

3313/31 5316/34 P 15

General and Revenue Secretariat — File No. — of 193 — [App. F. III–2

Serial No.

Point (1) referred to in the Dir's letter to be considered in the Law Dept. The point for consideration is whether the profits realised have to be taken as dividends to shareholders or as distribution to contributors, according to the terms recorded in the lease held by the assignee.

If approved, the file will be referred to the Asst Secy, Law Dept. for opinion (as alleged three points)

Sd/ KP 25/3 (Dev. Secy)

dcs 28/3/35

yes MW 4.4.35 (Asst Secy, Law Dept)

With compliments

dcs 3/4/35

A new lease executed - a variation of mining lease is also put up for reference.

5866 28/3/35

This appears to be with the first Number.

There was another file in which this very question was considered & submitted to the Fin Secy on 28-5-1934. Vide D.No: 2325 and 4223 Fc. That file is the file to which reference is made in my note of 18-2-35 supra and also in the notes on the Director's letter of 14-9-34. If that file is put up, the entire file will be worked out & a proper reply to the Director issued from the Law Dept. I think it is the Fin Sec that can say anything about the file D.No: 2325 Fc of 1933 respectively.

Endersey, Dev with Comps (Asst Secy) 5/4/35

Fin! Sec^ty) 16/4 Ended for orders. A reminder has been received from the Director. dcs 6/4/35

NOTE—Contn. Sl....

FINANCIAL BR 05 APR 1935 REC'D

2223/F/35
37/34
FE

2516

General and Revenue Secretariat

of 193

The return of the file from the 1st Member may perhaps be awaited.

FE Secy) 14/6/35

18.10.35) 22/6.

SB
2416/35.

2) This file was linked with file given by Fin Secy in person on 10-9-35
pmc
9/10/35

2) Point 1 is being dealt with in ~~the linked file~~ a separate file now submitted to Fin Secy. Points 2 & 3 may be disposed of without waiting for a decision on Pt 1.

Please put a draft reply to Director on points 2 & 3 in accordance with FA's opinion

pmc
9.10.35

Sd/- accordingly for orders. (Ref: paras 12 & 16 of the note)

pmc
10/10/35

Genl Secy.
Fin Secy)

11 Mahabeer
18/10
Fin Secy

ENTD CCRD
234
11 OCT 1935
TYPING SECTION
22 OCT. 1935
11.10.35
& REV. SECT.

FINANCIAL SECRETARIAT
U.O.No. Fi. 838.
11. OCT. 1935
BANGALORE.

Ltr
15/10

Ltr issued 22/10 pmc 22/10

17.10.35.

Ltr 17.10 DM 19/10

2223 //

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

To,

The Dir^r of Geology

no. P. 1165 dt 13.10.35 forwarding a c/s of the G.I.P. opinion for necessary action.

It is for order whether these papers may be filed now.

ISD 23/10

MS 23/10

B 22/10

WD 03594—GPB—30,000—18-7-35

GOVERNMENT OF MYSORE.

Law 53-54-1 p 634

Telegraphic Address:—"GEOL." MYSORE GEOLOGICAL DEPARTMENT.

No. R. Dis 8/32-33 E-4 Bangalore 14th September 1934

78568 17/9/34

FROM A. M. SEN, ESQ., M.Sc., F.G.S., etc., Director of Geology in Mysore, Bangalore.

X (Re: Royalty) Fair Copy

Submitted for perusal. This same matter being considered in a separate file now with the 1st number

MP 15/9/34

GENERAL SECRETARIAT 15 SEP. 1934

TO The General Secretary to the Government of His Highness the Maharaja of Mysore, Bangalore.

17 SEPT. 1934 21.6.2

Part VII may be sent at once to the first Member

MP 17.9.34

SIR,

XX Law MP 18/9

I have the honour to state that the Balaghat Gold Mines, Ltd transferred their properties on the Kolar Gold Field to the Nundydroog Mines Ltd., in April 1932 for a consideration of £40,000/- by a deed of Assignment which was duly registered in the office of the Registration, Bangalore District.(Copy of the Assignment Deed is herewith enclosed) A stamp duty of ~~Rsxxxxxxxxx~~ Rs. 6,668-12-0.was paid in respect of this assignment.

In August 1932, a subsidiary agreement was entered into between the two companies (Copy herewith) according to which the share of profits payable to the Balaghat Company by the Nundydroog Mines Ltd. on the ore reserv relating to the above assignment was estimated at £ 21,000/-. On this figure, a stamp duty of Rs 3,500/- was paid in respect of the subsidiary agreement. This deed was also registered in the office of the District Registrar, Bangalore.

The Superintendent of the Nundydroog Company has since intimated hat the actual amount of profits on the ore reserves paid to the alaghat Company is £ 104,575-6-6 up to February 1934. It will e seen that this amount is far in excess of the originally stimated figure of £ 21,000/- Further, by a transaction ated 28th Feb 1934, the Nundydroog Mines has obtained a release rom its obligation to the Balaghat Company to mine the remaining re reserves on payment of £ 6,000/- Thus in all, a sum of 110,575-6-6. has been realised by the Balaghat Company in

in respect of the subsidiary agreement the consideration for which was first estimated at so low a figure as £ 21,000/- The large variation in value is probably due to the prevailing high price of gold and also probably to larger quantity of gold recovered from the ore reserves than originally expected.

The amounts of profits realised by the Balaghat Company on the ore reserves up to the end of December 1934 was £ 98,865-11-2. A reference was made in May 1934 to the Liquidator of the Balaghat Company in London, about the payment of royalty to Government on the above profits . He replied stating that all liability of the Balaghat Company to pay royalty etc., under the mining Leases held by them ceased from 30-4-1932 when the Company assigned the leases to the Nundydroog Company. He added that the profits of £ 98,865-11-2 would not constitute dividends with-in the meaning of the wording of the leases formerly held by the Balaghat Company, but would constitute distribution to contributories in the liquidation on a realisation of the Company's assets. Copy of his letter dated 8th June 1934 is herewith enclosed for your information.

The points on which the favour of your opinion is sought are the following:—

1. Whether royalty is payable to Government on the dividends declared on profits realised by the Balaghat Company on the working of the ore reserves subsequent to the assignment of their properties to the Nundydroog Company in April 1932; if not, whether the interpretation of the Balaghat Company's Liquidator that the profits would not constitute dividends to shareholders but only distribution to contributories in the liquidation on a realisation of the Company's assets is in order.

2. Whether in view of the excess profits realised by the Balaghat Company over and above the originally estimated amount of £ 21,000/- the execution of a supplemental deed

deed for the actual amount is now necessary.

3. Whether the transaction dated 28th ~~Ex~~ Feby.1934 by which the Nundydroog Company has obtained a release from its obligation to the Balaghat Company to mine the remaining ore reserves on payment of £ 6,000/- requires to be registered in the State as in the case of the two previous deeds.

A copy of the mining lease formerly held by the Balaghat Company is herewith sent for reference.

I have the honour to be,

Sir,

Your most obedient servant,

15.9.34

Director,
Mysore Geological Department.

Copy.

THIS ASSIGNMENT is made the 30th day of April 1932 BETWEEN BALAGHAT GOLD MINES LIMITED a Company registered in England and having its registered office at 5 and 6 Queen Street Place in the City of London (hereinafter called Balaghat) of the one part and NUNDYDROOG MINES LIMITED a Company registered in England having its registered office situate at 5 and 6 Queen Street Place aforesaid (hereinafter called Nundydroog) of the other part.

W H E R E A S:

1. Balaghat is entitled to the premises comprised in the three Indentures of Lease specified in the Schedule hereto (hereinafter called "the Scheduled Leases") for the unexpired residues of the respective terms created by the Scheduled Leases subject as to the premises comprised in the Indenture of Lease dated 9th November 1922 (mentioned in the said Schedule) to and with the benefit of an Indenture of Underlease dated 5th September 1923 whereby part of the premises comprised in the said Indenture of Lease were demised by Balaghat to Nundydroog for the term of 19 years from the 22nd March 1921 and subject to the rents royalties and other payments and the Lessees covenants and conditions respectively reserved and contained in the Scheduled Leases and has agreed to sell the same subject as aforesaid but otherwise free from incumbrances to Nundydroog at the price of £40,000 (forty thousand pounds

N O W THIS ASSIGNMENT WITNESSETH AS FOLLOWS:-

1. In pursuance of the said agreement and in consideration of the premises Balaghat hereby conveys and assigns unto Nundydroog. First: the exclusive license and liberty to search for mine and raise all quartz reefs and beds and strata of earth stone or rock containing or supposed to contain gold metallic ores precious stones coal or other substances of a merchantable nature occurring in or upon All That piece of land delineated in a map or plan annexed to the Indenture of the 25th day of October 1910 specified in the Schedule hereto situate in the Bowringpet Taluk of the Kolar District Mysore State estimated to comprise 1,328.32 acres more particularly mentioned and described in the Schedule to the said Indenture of the 25th day of October 1910 annexed and which

piece of land is thereinafter called "the mining block and to treat the same by metallurgical or other processes and obtain prepare therefrom gold metals precious stones and other valuable products or substances either in a finished completed and refined state (and then thereinafter referred to as "finished products") or in an intermediate condition (and then thereinafter referred to as intermediate products") and to erect such buildings or mining or metallurgical plant and carry on such operations as may be necessary or desirable for the purposes aforesaid together with liberty to remove sell and dispose of the minerals found or raised on or in the mining block or the intermediate or finished products obtained or prepared therefrom and

SECONDLY: The like exclusive license and liberty exerciseable in upon and throughout All That piece of land delineated in a map or plan annexed to the Indenture of the 28th May of April 1917 specified in the Schedule hereto and situate in the Bowringpet Taluk of the Kolar District of Mysore State estimated to comprise 38.0. acres or thereabouts and particularly mentioned and described in the Schedule to the said Indenture of the 28th day of April 1917 annexed which piece of land is known as the "Balaghat Western Blo

AND THIRDLY: The like exclusive license and liberty exerciseable in or upon All That piece of land delineated on the map or plan annexed to the Indenture dated the 9th November 192.2 specified in the Schedule hereto and situate in the Bowringpet Taluk of the Kolar District of Mysore State estimated to comprise 250.68 acres or thereabouts and particularly mentioned and described in the Schedule to the said Indenture of the 9th November 1922 which piece of land is known as the Northern portion of the Nundydroog Western Block and All other (if any) licenses liberties rights and privileges now vested in Balaghat under or by virtue of all or any of the deeds or documents specified in the Schedule hereu

TO HOLD the same unto Nundydroog as to the premises firs hereinbefore described for the unexpired residue of a term of Thirty years from the 22nd day of March 1910 created by the said Indenture of the 25th day of October 1910 as to the premises

secondly hereinbefore described for the unexpired residue of a term of 45 years from the 22nd May of March 1915 created by the said Indenture of the 28th day of April 1917 and as to the premises thirdly hereinbefore described for the unexpired residue of a term of 19 years from the 22nd day of March 1921 created by the said Indenture of 9th November 1922 subject to but with the benefit of the recited Underlease and to the term thereby created and as to all other the premises hereby assigned for all other (if any) the estate and interest therein of Balaghat and subject as to all the said premises to the payment of the rents assessments royalties and other monies payable in respect thereof by virtue of and to the lessees covenants and the conditions contained in the Scheduled Leases under which the same are respectively held.

2. Balaghat hereby covenants with Nundydroog as follows:-

(1) That notwithstanding anything by Balaghat done made executed or omitted or knowingly suffered the Scheduled Leases under which the said premises hereby assigned are respectively held are now valid good and effectual leases and are in full force unforfeited and unsurrendered and have in no wise become void or voidable and that notwithstanding anything as aforesaid all the rents assessments royalties monies and payments respectively reserved by and made payable under the Scheduled Leases respectively and all the Covenants conditions and agreements contained in the Scheduled leases have been paid performed and observed up to the date of these presents.

(2) Notwithstanding any such thing as aforesaid Balaghat has now power to convey and assign the premises hereby intended to be conveyed and assigned unto Nundydroog in manner aforesaid.

(3) That it shall be lawful for Nundydroog and its assigns at all times hereafter quietly to enter into and upon and to hold and enjoy the said premises and to receive the rents and profits thereof without any interruption or claim or demand by Balaghat or its assigns or any person or persons claiming under or in trust for it respectively and free and discharged from all incumbrances save as aforesaid made occasioned or suffered by Balaghat or any

person or persons lawfully claiming through or in trust for them.

(4) That Balaghat and every person or persons having or law claiming any estate right title or interest in or to the said premises hereby granted or assigned or any part thereof or in trust for them respectively will at all times hereafter at the cost of Nundydroog and its assigns do and execute every such assurance and thing for the further and more effectually assuring all or any part of the said premises unto Nundydroog and its assigns as by them shall reasonably be required.

3. Nundydroog hereby covenants with Balaghat that Nundydroog and its assings will henceforth pay the rents assessments royalties and other monies reserved by or payable under the Scheduled Leases and observe and perform the lessees covenants and conditions in the Scheduled Leases respectively contained and will keep Balaghat indemnified against all proceedings costs damages claims and demands whatsoever by reason or on account of the non-payment of the said rents royalties and monies or any part thereof or the non-performance or non-observance of the said covenants and conditions or any of them.

4. Nundydroog hereby declares that the term of 19 years created by the recited Underlease shall forthwith merge and be extinguished in the reversion expectant thereon.

IN WITNESS whereof the hands and seals of Charles Napier Keith and William Tyrrel Hudson the duly authorized attorneys of Balaghat and Nundydroog respectively have hereunto been set the day and year first before written.

- -----

The Schedule above referred to

Date	Parties	Descriptions.
25th October 1910	The Government of His Highness the Maharaja of Mysore (1) The Balaghat Gold Mining Co. Ltd. (2) registered in the Office of the Registrar of Bangalore as No.21 of 1910/11 in Book No. 1 vol 29 pages 399-409)	Lease of Mining rights over 1328.32 acres in the Bowringpet Taluk Kolar District Mysore State for the term of 30 years from the 22nd March 1910 subject to the payment of certain rents assessments royalties and other monies
28th April 1.17.	The Government of His Highness the Maharaja of Mysore (1) The Balaghat Gold Mining Co. Ltd. (2) Registered in the Office of the Registrar of Bangalore as No.43 of Book 1 vol. 35 pages 43-72	Lease of Mining rights over 238.92 acres in the Bowringpet Taluk Kolar District, Mysore State for the term of 25 years from the 22nd March 1915 subject to the payment of certain rents assessments royalties and other monies.
9th November 1922	The Government of His Highness the Maharaja of Mysore (1) Balaghat Gold Mines Limited (2) Registered in the office of the District Registrar Kolar District as No.9 of Book I, vol. 3, pages 275-302.	Lease of mining rights over 250.32 acres in the Bowringpet taluk of the Kolar district Mysore state for the term of 15 years from 22nd March 1921 subject to the payment of certain rates rents assessments royalties and other monies.

Sealed signed and delivered by the said Charles Napier Keith in the presence of

Sealed signed and delivered by the said William Tyrrel Hudson in the presence of

Copy.

15-9-31.

Director,
Mysore Geological Department.

Bs.

Copy.

A N A G R E E M E N T made the third day of August, One thousand nine hundred and thirty two B E T W E E N BALAGHAT GOLD MINES LIMITED whose registered office is at 5 and 6 Queen Street Place in the City of London (hereinafter called "Balaghat") of the one part and Nundydroog Mines Limited whose registered office is at 5 and 6 Queen Street Place aforesaid (hereinafter called "Nundydroog") of the other part W H E R E A S Balaghat has recently agreed with Nundydroog for the sale to the latter of its mining undertaking on the Kolar Gold Field and in pursuance of such agreement has by Deed of Assignment dated the thirtieth day of April, One thousand nine hundred and thirty two transferred the several Mining Leases hitherto held by Balaghat to Nundydroog AND WHEREAS it was a term of the said agreement that after transfer of the said Leases Nundydroog should deal with the Ore reserves situate on the properties transferred for the joint account of Balaghat and Nundydroog and so that the net balance of the proceeds of sale of the Gold and Silver recovered from the said Ore reserves should be divided and belong as to Twenty five per cent to Nundydroog and as to the remaining Seventy five per cent to Balaghat.

Government of Mysore Stamp Value Rs.3500.

N O W I T I S H E R E B Y A G R E E D T H A T:-

For the purpose of assessing the Stamp Duty payable to the Government of Mysore in respect of the hereinbefore recited agreement relative to the treatment of the said Ore Reserves the profits arising to Balaghat in respect of their proportion of the net proceeds of the sale of the Gold and Silver shall be deemed to be the sum of Twenty one thousand pounds.

I N W I T N E S S whereof the duly authorised Attorneys of the parties hereto have hereunto set their respective hands and seals the day and year first above written.

SIGNED sealed and delivered by
Wilfrid Eric Whitehead
Attorney for Balaghat Gold Mines
Limited in the presence of

(Sd) Wilfrid E. Whitehead

Attorney For Balaghat Gold Mines ~~Ltd.~~ Limited.

T.B. Rangachar
Advocate, Bangalore.

W.F. Osborn,
3, Miller's Road,
Bangalore.

Signed sealed and delivered by
William Tyrrel Hudson
Attorney for Nundydroog Mines
Ltd., in the presence of

(Sd) W. Tyrrel Hudson

Attorney for
Nundydroog Mines Limited.

T.B. Rangachar
Advocate, Bangalore.

H.F. Osborn,
3, Miller's Road,
Bangalore.

Presented in the office of the District Registrar of Bangalore on 3rd August 1932 at 1 p.m. by

(Sd) W. Tyrrel Hudson.

Execution admitted by (Sd) Wilfrid E. Whitehead.

(Sd) W. Tyrrel Hudson

The Executants [illegible] the thumb impressions

(Sd) S. Kuppusami
P.A. to Dist. Registrar.

Identified by

(Sd) J. Larcombe, Accountant,
C/o., Nundydroog Mines Ltd.
Dorgaum P.O.

(Sd) S. Kuppusami
Personal Assistant
to the District Registrar.
3rd August 1932.

Registered as No.1/32-33 Book 4, vol 3 pages 166-173. Fee paid .313 only.

(Sd) S.Kuppusami

Personal Assistant to
the District Registrar.
6th August 1932.

Certified true copy.

(Sd) ~~in~~ W.T.Hudson
Superintendent,
Nundydroog Mines, Ltd.

Copy.
15-9-34.
DIRECTOR,
MYSORE GEOLOGICAL DEPARTMENT.

Copy of the letter dated 8th June 1934 forwarded by Air Mail from the Liquidator, Balaghat Gold Mines, Ltd. London to the Director of Geology in Mysore, Bangalore.

I am in receipt of your letter of the 3rd May.

In reply to your enquiry whether this Company has paid to the Mysore Government royalty at the rate of 2½%, I have to state that no royalty ~~xxxxxx~~ has been paid by this Company or by me on its behalf for the reason that all liability of the Balaghat Company to pay rents or royalty under the mining Leases held by them ceased when the Company on the 30th April 1932 assigned the leases in question to the Nundydroog Mines, Ltd.,

It may be relevant however to point out that even if this had not been the legal position, any payments made by me as Liquidator to the shareholders in this Company out of the sum of £ 98,865-11-2. mentioned in your letter under acknowledgment would not constitute dividends within the meaning of the wording of the leases formerly held by this Company, but constitute distribution to contributories in the liquidation on a realisation of this Company's assets.

A. Sulaiman 15-9-34.

Director,
Mysore Geological Department.
Bangalore.

bw

No. 120

STAMPS
Rs. 210

This Indenture made the Twenty-fifth day of October One thousand nine hundred and ten BETWEEN THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE (hereinafter called "the Lessors" which expression shall be taken to mean and include the Government of His Highness the Maharaja of Mysore their successors and assigns except where the context requires another or different meaning) of the one part and THE BALAGHÂT GOLD MINING COMPANY LIMITED (hereinafter called "the Lessees" which expression shall be taken to mean and include the said Balaghât Gold Mining Company Limited their successors and assigns except where the context requires another or different meaning) of the other par

1. WHEREAS the Lessees by virtue of certain leases and assignments were or are the duly accredited Lessees of certain mining rights of land in the Mysore Territories and WHEREAS by a Memorandum of Agreement dated Twenty-first December One thousand nine hundred and one the Lessors have agreed to renew the said leases on certain terms specified in the said Memorandum of Agreement and WHEREAS the Lessors have agreed to grant and the Lessees have agreed to accept in lieu of the renewal of the said leases *(inter alia)* the mining lease hereinafter contained in respect of the piece of land delineated in the map or plan hereto annexed and situate in the Bowringpet Taluk of the Kolar District Mysore State estimated to comprise 1328·32 acres and particularly mentioned and described in the Schedule hereto annexed and which piece of land is hereinafter called "the mining block."

2. NOW THIS INDENTURE WITNESSETH that in consideration of the surrender by the Lessees as from the Twenty-second day of March One thousand nine hundred and ten of all the rights licenses and liberties demised and granted to them and enjoyed heretofore and which at the date hereof are subsisting and vested in the Lessees in respect of the mining rights of land in the Mysore Territories by virtue of the above-mentioned leases of which surrender the execution of this Indenture shall be full and complete proof and in consideration of the royalties rents and other payments hereinafter reserved and in consideration of and subject to the covenants and agreements by the Lessees hereinafter contained the

Mysore Government General Stamp

Lessors do hereby demise and grant unto the Lessees exclusive license and liberty to search for mine and raise all quartz reefs and beds and strata of earth stone or rock containing or supposed to contain gold metallic ores precious stones coal or other substances of a merchantable nature (hereinafter collectively referred to as "minerals") occurring in or upon the mining block and to treat the same by metallurgical or other processes and obtain or prepare therefrom gold metals precious stones and other valuable products or substances either in a finished completed and refined state (and then hereinafter referred to as "finished products") or in an intermediate condition (and then hereinafter referred to as "intermediate products") and to erect such buildings or mining or metallurgical plant and carry on such operations as may be necessary or desirable for the purposes aforesaid.

3. TOGETHER with liberty for the Lessees to remove sell and dispose of the minerals found or raised on or in the mining block or the intermediate or finished products obtained or prepared therefrom.

4. TO HAVE AND TO HOLD the premises hereinbefore expressed to be hereby demised and granted unto the Lessees for the term of Thirty years from the Twenty-second day of March One thousand nine hundred and ten.

5. YIELDING AND PAYING therefor during the said term an annual rent of Eight annas per acre of the mining block which rent shall be payable for each calendar year on or before the Thirty-first day of December.

6. AND ALSO YIELDING AND PAYING on or before the Thirty-first day of March in every year all local cesses and other taxes or rates of every description for the time being payable in respect of the premises or lands within the mining block or of any buildings or works in or on the same.

7. AND ALSO YIELDING AND PAYING a royalty of Five per centum upon the net sale proceeds of all gold metallic ores coal and other substances of a saleable or merchantable nature found on the mining block which shall have been crushed dressed and made merchantable by the Lessee

8. AND ALSO YIELDING AND PAYING a royalty of Ten per centum upon the saleable value of all precious stones found on the mining block.

9. AND ALSO YIELDING AND PAYING a royalty o Two and one-half per centum upon the amount of all dividends from whatever source derived as and when declared and made payable by the Lessees to their Shareholders.

10. AND IT IS HEREBY DECLARED that the expression "the "liability under this lease" shall hereafter include all the cesses taxes rates royalties rents compensation indemnities and other payments in this lease reserved and made payable by the Lessees.

11. AND THE LESSEES hereby covenant with the Lessors that they the Lessees will during the said term in the best and most effectual manner and without intermission except when prevented by inevitable accident search for all gold metals metallic ores precious stones coal and other substances of a saleable or merchantable nature within or upon the mining block.

12. AND WILL throughout the said term keep all mines buildings pits shafts ladders plats sollars timber ropes watercourses air-gates engines machines and other mining and metallurgical plant on or in the mining block in good repair working order and condition.

13. AND ALSO WILL if required and before the sale thereof deliver to or permit to be taken by the Lessors or their agent or agents a sample or samples of all gold metals metallic ores precious stones coal and other substances which shall have been crushed dressed and made merchantable and prepared for sale all such samples so taken to be paid for by the Lessors at the current market rate.

14. AND ALSO WILL immediately after any sale of the said gold metals metallic ores precious stones coal and other substances give to the Lessors or their agent or agents a return of the prices for which the same respectively shall have been sold and if required the names of the purchasers thereof.

15. AND ALSO WILL within Ninety days after any such sale or within Six months from the time of the extraction of the ore or the finding of precious stones pay to the Lessors the royalties of Five per centum and Ten per centum hereinbefore reserved.

16. AND WILL pay all other liabilities under this lease as and when they respectively become payable.

17. AND ALSO WILL throughout the said term make and keep in some convenient place on the mining block and so that the Lessors or their agent or agents can have at all times free access thereto proper books of account of the working of the mines and the costs thereof and of the disposal of the gold metals metallic ores precious stones coal and other substances of a saleable or merchantable nature containing all particulars of quantities dates and other facts and circumstances necessary or proper for ascertaining the exact value of such gold metals metallic ores precious stones coal and other substances and also correct maps plans and sections of the said mines and workings.

18. AND ALSO WILL when required by the Lessors or their agent or agents give to them or him copies of all entries in the said books and of every such map plan and section as aforesaid.

19. AND ALSO WILL at the end or sooner determination of the said term give up to the Lessors the said books maps plans and sections in good and perfect condition.

20. AND ALSO WILL throughout the said term keep all boundary posts in good repair and condition and every shaft pit or open working within the mining block sufficiently fenced for the protection of man and beast.

21. AND ALSO WILL not until the licence in writing of the Lessors or their agent or agents be obtained wilfully close fill up or choke any mine or shaft.

22. AND ALSO WILL permit the Lessors and their agent or agents servants or workmen throughout the said term to enter upon any of the works carried on under or by virtue of these presents and examine the state and condition thereof and to use the engines machinery and apparatus upon or within the mining block for that or for any other lawful and reasonable purpose the Lessors making compensation for such use except when required for examining and taking plans the amount of such compensation in case of difference to be settled by two Arbitrators one to be named by the Lessors and the other by the Lessees or if the Arbitrators differ by an Umpire to be chosen by them before entering upon the arbitration and if either party shall fail to name an Arbitrator after notice in writing by the

other or their agent requiring them so to do or shall name an Arbitrator who neglects to act or to proceed with due diligence in the business of the Arbitration or who will not join in naming an Umpire then by the valuation of the Arbitrator named by the other party AND the award made by such Arbitrators or Umpire may be made by a rule of Court subject to the provisions of the Code of Civil procedure or any then subsisting statutory modification thereof.

23. AND ALSO WILL permit the Lessors to exercise the liberties hereinbefore reserved and will afford all reasonable facilities and assistance in the exercise thereof.

24. AND WILL in the exercise of the licence and liberties hereby granted abstain from entering upon the surface of any occupied Government land or of any Inam land comprised within the mining block without previously purchasing the rights or obtaining the consent of the occupant holder or tenant of such land by an instrument in writing duly registered and if any damage or injury be caused to the surface of any such land by any operations carried on under this lease will duly compensate the occupant holder or tenant thereof for all such damage or injury.

25. AND WILL keep open and in no way obstruct any road path or by-way of any kind whatsoever now existing on the mining block.

26. AND ALSO WILL from time to time and at all times hereafter effectually keep indemnified the Lessors from and against all claims demands and expenses whatsoever by reason or in consequence of any injury to or interference with any lands or property whatsoever occasioned by or arising from the working under these presents or the exercise of the liberties hereby granted.

27. AND ALSO WILL deliver to the Lessors a copy of every assignment or under-lease of the said premises or any part thereof within two calendar months after the date of every such assignment or under-lease.

28. AND WILL at the expiration or sooner determination of the said term deliver to the Lessors in good order repair and condition and fit for future working and use and in all respects in such state and condition as shall be consistent with the due performance and

SCHEDULE.

Description Area and Boundaries of "The Balaghât Block."

The Block is situated on the Kolar Gold Field in the Bowringpet Taluk of the Kolar District, Mysore State.

The area of the Block is 1328·32 acres.

The boundaries of the Block are defined by stone pillars erected and lettered in accordance with the plan attached hereto and specified hereunder :—

Boundary Stone.	Shape.	Height in Feet.	Letters cut on Boundary Stones.		
A	Triangular	1·00	B	—	—
B	,,	2·00	—	B	B
C	,,	1·00	—	B	B
D	,,	1·00	—	T B	B
E	,,	1·00	T B	N	B
F	,,	1·00	N	N	B
G	,,	1·00	N	G	B
H	,,	1·00	B	G	B
J	,,	1·50	G	G	B
K	,,	1·50	B	G	B
L	,,	1·50	G	A	B
M	,,	1·00	B	B	A
N	,,	1·00	B	A	—

The boundaries between the pillars are straight lines the lengths and bearings of which are marked on the plan and are as follows :—

From	To	Distance in Feet.	Bearing to true North.		
A	B	3230·83	180°	53′	45″
B	C	2059·39	175°	8′	20″
C	D	2194·05	180°	44′	10″
D	E	2996·73	240°	28′	25″
E	F	339·42	272°	26′	30″
F	G	1865·97	271°	48′	50″
G	H	2035·77	183°	11′	30″
H	J	135·00	271°	29′	55″
J	K	2054·59	183°	2′	40″
K	L	5067·02	271°	27′	20″
L	M	2062·42	182°	57′	15″
M	N	1458·00	184°	32′	50″
N	A	9541·41	83°	4′	40″

T. ANANDA ROW,
24 Nov. '10,
Dewan of Mysore.

Presented on the 28th Nov. 1910 at 12 noon in the office of the Dt. Registrar Bangalore by the undersigned.

R. H. P. BULLEN.

The undersigned admits execution of this document.

R. H. P. BULLEN.

The identity of the executant Mr. R. H. P. Bullen is well known to the undersigned.

(Signature illegible).

The undersigned is satisfied as to the execution of this by Mr. T. Ananda Row, Dewan of Mysore.

(Signature illegible).

28 Nov. '10.

Registered as No. 21 of 1910-1911 in Book No. 1 Vol. 29 pages 390-109. Fees received Rs.79-12-0 only.

(Signature illegible).

2 Jan. 1911.

observance of the several covenants and agreements by the Lessees herein contained the mining block and all the mines and buildings and all pits shafts ladders plats sollars timber ropes watercourses air-gates engines machines and other mining and metallurgical plant below and above ground which are in the nature of fixtures or necessary or desirable for the proper working of the said mines and the raising of minerals from the mining block or for the obtaining or preparing of intermediate or finished products from such minerals except any pits shafts or other works which shall have been abandoned or disused in the ordinary and fair course of working of the said mines and premises but so that the Lessors shall pay to the Lessees a fair price for all engines and machinery of any description in or on the mining block based on the amount the same could be sold for on the mining block if the Lessees had power to authorise the purchasers to remove them unless the Lessors shall have given notice in writing to the Lessees that they the Lessors do not intend to take over any of such buildings engines and machinery plant and other things in which case the Lessees shall be at liberty to remove the same but without injuring any other property in or on the mining block.

29. PROVIDED ALWAYS that if and whenever any part of the liabilities under this lease shall be in arrear for the space of Sixty days after the expiration of the time prescribed by these presents for payment thereof and the Lessees shall not pay the same within Thirty days after the service upon them of a notice by the Civil Executive Officer of the District in which the mining block is situate calling upon them to pay the same the Lessors shall be at liberty to seize all gold metallic ores precious stones coal and other substances of a saleable nature in or about the mines or pits opened worked or carried on by the Lessees on the mining block and the Lessors may sell and dispose of such gold metallic ores precious stones coal and other substances and out of the moneys produced thereby may deduct and retain all liabilities under this lease and all expenses incurred in or about any such seizure and sale.

30. PROVIDED ALWAYS and these presents are upon this express condition that if and whenever any part of the liabilities under this lease shall be in arrear for the space of six calendar months after any of the days whereon the same ought to be paid as herein provided (whether the same have been legally demanded or not) or if the Lessees or their workmen shall cease to carry on the regular working of the mines or cause any obstruction or annoyance to the Officers of

the Lessors or to the people of the country or refuse to afford information to the Lessors or if and whenever there shall be a breach of any of the covenants herein contained and on the part of the Lessees to be performed and observed then and in such case the Lessors or their agent or agents duly empowered in that behalf may re-enter upon any part of the mines and workings carried on under this lease in the name of the whole and thereupon the said term of Thirty years shall absolutely determine.

31. PROVIDED ALWAYS and it is hereby agreed and declared that no such re-entry or forfeiture of the said term under the proviso for re-entry hereinbefore contained shall take place unless and until the Lessors shall have given to the Lessees a notice calling upon them to give a reasonable explanation of the matter or matters complained of and to rectify the same which notice shall be in writing signed on behalf of the Lessors by the Civil Executive Officer of the District in which the mining block is situate or by any other person specially empowered in that behalf and shall be served on the Lessees or any one or more of them or on their agent or agents or fixed on any part of the mining block and default shall have been made in giving such reasonable explanation and in rectifying the matter or matters complained of for six calendar months from the time of such notice being so served or affixed.

32. PROVIDED ALSO and it is hereby agreed and declared that if the Lessees shall be desirous of determining the said term of thirty years hereby granted at the expiration of any calendar year of the said term and of such desire shall give to the Lessors six calendar months' previous notice in writing and shall pay the liabilities under this lease and perform and observe the several covenants and agreements herein contained and on the part of the Lessees to be performed and observed up to the expiration of such year then and in such case upon the expiration of such year the term hereby granted shall absolutely cease and determine.

33. PROVIDED ALSO and it is hereby agreed and declared that if the said term of thirty years hereby granted shall not prior to the termination thereof by lapse of time have been determined under the provisions hereinbefore contained and if the Lessees shall be desirous of obtaining a renewed lease of the licences rights and liberties hereby granted for a further term of thirty years from the

expiration of the term hereby granted and of such desire shall give to the Lessors one year's previous notice in writing and shall pay the liabilities under this lease and perform and observe the several covenants and agreements herein contained and on the part of the Lessees to be performed and observed up to the expiration of the term hereby granted then and in such case the Lessors will upon the request and at the expense of the Lessees execute and deliver to the Lessees a renewed lease of the said premises for a further term of Thirty years in such form and subject to such royalty and other payments and such covenants agreements and conditions as may be agreed upon between the Lessors and Lessees at the time and the Lessees shall at the same time execute and deliver to the Lessors a counterpart of such renewed lease

IN WITNESS whereof Tanjore Madava Row Ananda Row, B.A., C.I.E. the Dewan of Mysore acting for and on behalf of the Lessors and Robert Henry Power Bullen the duly constituted Attorney of the Lessees have hereunto and to a duplicate hereof set their respective hands and seals.

Signed sealed and delivered by the above-named Tanjore Madava Row Ananda Row on the Twenty-fifth day of October One thousand nine hundred and ten in the presence of

T. ANANDA ROW,
24 Nov. '10.

the Mysore

C. S. BALASUNDARAMIYER,
Offg. Secy. to the Govt. of Mysore
General & Revenue Depts.

N. NOVINDA ROW,
Private Secretary to the Dewan of Mysore.

Signed sealed and delivered by Robert Henry Power Bullen the duly constituted Attorney of the above-named Balaghât Gold Mining Company Limited on the Twenty-fifth day of October One thousand nine hundred and ten in the presence of

R. H. P. BULLEN,
the duly constituted Attorney of The Balaghât Gold Mining Company Ltd.

SEAL

C. B. BENNETTS.

A. NICOL,
OORGAUM, SOUTH INDIA

W. F. SMEETH,
Secy: Geol. Dept.

2126/P 38

GOVERNMENT OF MYSORE.

Telegraphic Address:—"GEOL."

MYSORE GEOLOGICAL DEPARTMENT,

No. K. Dis 3/32-33.

Bangalore, 24th September 193 5.

FROM

B. RAMA RAO, ESQ., M.A., D.I.C., F.G.S.,
Offg. Director of Geology in Mysore,
Bangalore.

GENERAL & REV. DEPT. 25 SEP. 1935

REVENUE DEPARTMENT 15.10 619

To

The General Secretary to the
Government of His Highness the
Maharaja of Mysore, Bangalore.

SIR,

I have the honour to invite your kind reference to correspondence ending with this office letter No. R.Dis.3/32-33 dated 25th October 1934 and subsequent reminders thereto regarding the royalty etc. payable by the Balaghat Gold Mines Ltd. on excess profits realised by them subsequent to the transfer of their properties to the Nundydroog Mines Ltd. The favour of an early reply in the matter is requested.

I have the honour to be,
Sir
Your most obedient servant,

BRamaRao

Offg. Director,
Mysore Geological Department.

Subject - the transfer of Gold being dealt with in the Protection Br. Govt. may be requested to treat branch.

H.B.S. 24/9 Protection Branch

Yes 1/10/35

MR 1/10

This file is pending in the Finance Br. and the reminder received were also sent to that Br. to give an admissible reply. This may also be sent there.

TSD 2/10

The Finance has given their file to me recently

MR 4/10

Dft admissible reply for us.

TSD 2/10

MR 2/10

Issued no. 6. 1935 d 5.10

3. OCT. 1935 GENL & REV SECTT.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Bangalore, Dated 4th October 1935

No. P 2385/Rev 54.

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Offg. Director of Geology in Mysore.

Sir,

With reference to the correspondence ending with your letter No.R.Dis.3/32-33 dated 25th September 1935 re.royalty etc.payable by the Balghat Gold Mines Ltd., I am directed to state that the matter is under consideration of Government and a reply will be sent as soon as final orders are passed.

I have the honour to be,
Sir,
Your most obedient servant,

For General Secretary to Government

mk.

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

map 2366/Zam
endd. 8/10/35

To.

The Asst Dirr
Geology

Sir

With reference to the
Correspondence ending with your
Lr no. R. Dis 3/33-33 d 25-9-35
re: royalty on payable by the
Balghat Gold mines Ltd.
I am directed to state that
the matter is under Consider-
ation of Govt and that a
reply will be sent as soon
as final orders are passed

I have &c

for Secy to Govt
Rev Dept

WD 0186—GPR—15,000—6-9-34

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P.15-34 *Bangalore, Dated,* 24th September 1934.

25

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Director of Geology
in Mysore, Bangalore.

Sir,

With reference to your letter No.R.Dis 8/32-33 dated 14th September 1934 soliciting legal opinion in the matter of the transfer of the properties of Balghat Gold Mines Ltd., to the Nandydurg Mines Company, I am directed to -- request that the release deed dated 28th February 1934 or a copy of it referred to in the 3rd point raised in your letter under advertance may kindly be sent for examination.

I have the honor to be,
Sir,
Your most obedient servant,

For General Secretary to Govt.

c.n.

Appendix F G—1]

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 25/9/34

Signed by [illegible]

List of enclosures .....

Copied by .....

Examined by... .....

Section Law

File No.

Serial No.

No. P15-34/

To

The Director of Geology

Sir,

With reference to your letter no. R. Dis: 8/3233 dated 14th Sept 1934 Solicitors legal opinion in the matter of the transfer of the properties of Balghat Gold Mine Ltd to the Nandydrug Mine Co.ltd I am directed to request that the ~~or a copy of it~~ referred release deed dated 20.2.34 (annexed) to in the 3rd point ~~note from~~ raised in your letter under reference advantage may kindly be sent for examination ~~reference and return~~

I have the

24/9/34 honour

ISD 24/9

GENERAL SECRETARIAT
29 SEP 1934

GOVERNMENT OF MYSORE.

1928/34

Telegraphic Address:—"GEOL."

No. R.10 8/32-33

MYSORE GEOLOGICAL DEPARTMENT,

Bangalore 28th September 193 4.

FROM

A. M. SEN, Esq., M.Sc., F.G.S., etc.,
Director of Geology in Mysore,
Bangalore.

To

The General Secretary to the Government
of His Highness the Maharaja of Mysore
Bangalore.

SIR,

With reference to your letter No.P.1534/Law. 53-34 dated 24/25th September 1934, I have the honour to state that a copy of the release deed dated 28th February 1934 in connection with the transfer of the properties of the Balaghat Company to the Nundydroog Mines Ltd. has been called for from the Superintendent of the Nundydroog Company. It will be forwarded to

p.t.o.

To,

Dy. Sr. (W.C.) for kindly putting
Connected file seen as req/sd.
The file referred to is put up below (Vide linked file)
Pvtn. Sr. (W.C.)

NOTE—Contn. Sheet.

WD 01956—GPB—22,500—12-6-34

1928

File No.	of 193 .	General and Revenue Secretariat

Subt for perusal.
Copy of the release deed is awaited
ISD 22/10
It is nearly a month.
Please issue reminder pmj 23/10/34.

Dft R? put up

ISD 23/10

Issue
pmj 25/10

Reply received.

GOVERNMENT OF MYSORE.

2316 / 934

Telegraphic Address:—"GEOL."

MYSORE GEOLOGICAL DEPARTMENT.

No. R. Dis. 8/32-33

Bangalore. 25th October 193 4.

GENERAL SECRETARIAT
25 OCT 1934
Bangalore

FROM

A. M. SEN, ESQ., M.Sc., F.G.S., etc.,
Director of Geology in Mysore,
Bangalore.

To

The General Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

SIR,

In continuation of this office letter No.R.Dis. 8/32-33 dated 29th September 1934, I have the honour to forward herewith a copy of the release deed dated 13th March 1934 entered into between the Balaghat and the Nundydroog Mines Ltd. The deed is dated 13th March 1934 and not 28th February 1934 as originally mentioned by the Superintendent of the Nundydroog Mines Ltd.

I have the honour to be
Sir,
Your most obedient servant,

A. M. Sen

Director,
Mysore Geological Department.

s.25/x

C O P Y

A N A G R E E M E N T made the thirteenth day of March One thousand nine hundred and thirty four B E T W E E N BALGHAT GOLD MINES LIMITED whose registered office is at 5 and 6 Queen Street Place in the City of London (hereinafter called "Balaghat") of the first part CHARLES HERBERT DAVEY GARLAND F.C.I.S., of 5 and 6 Queen Street Place aforesaid the Liquidator of Balaghat (hereinafter called "the Liquidator") of the second part and NUNDYDROOG MINES LIMITED whose registered office is at 5 and 6 Queen Street Place aforesaid (hereinafter called "Nundydroog") of the third part

W H E R E A S

1. By Special Resolution of Balaghat duly passed at an Extraordinary General Meeting of Balaghat held on the Third day of October One thousand nine hundred and thirty two it was resolved that Balaghat be wound up voluntarily and the Liquidator should be and he was thereby appointed Liquidator for the purposes of such winding up.

2. This Agreement is supplemental to an Agreement dated the Sixth day of April One thousand nine hundred and thirty two and made between Balaghat of the one part and Nundydroog of the other part (hereinafter called "the principal agreement") being an agreement for sale by Balaghat to Nundydroog of the benefit of all the leases set out in the Schedule thereto together with certain plant and machinery used in connection with the said leases as therein mentioned but excepting from the said sale the reserves of ore mentioned in Clause 1 of the Principal agreement which said reserves of ore were to be dealt with by Nundydroog in manner appearing in Clauses 7, 8 and 9 thereof

3. In pursuance of the provisions set out in the said Clauses 7, 8 and 9 of the Principal Agreement Nundydroog has been and is still dealing with the said reserves of ore and paying to Balaghat and the Liquidator the sums provided by the provisions of the said three clauses.

4. Nundydroog is desirous of being released from all further obligations imposed upon Nundydroog by the said three clauses to the intent that the said ore reserves shall be vested in Nundydroog free from any of the said obligations.

N O W I T I S HEREBY AGREED as follows:-

1. SUBJECT to the due payment of the sum mentioned in Clause 2 hereof Balaghat by the direction of the Liquidator as Beneficial Owner and with effect as on and from the First day o March One thousand nine hundred and thirty four hereby releases Nundydroog from all further obligation to work the said ore reserves and to treat ore extracted therefrom and to sell the bullion recovered therefrom and from all obligation to make any further payment (except any payment due in respect of ore mined and bullion recovered prior to the said First day of March) to Balaghat as provided by any of the Said Clauses 7, 8 and 9 and with effect from the said date the said ore reserves shall vest in Nundydroog absolutely free from any right or claim of Balagh but subject nevertheless to the payment of royalties payable to the Government of Mysore in respect of the said reserves.

2. In consideration of the premises Nundydroog shall forthwith after ratification by the shareholders of Balaghat as provided by Clause 4 hereof and not later than the Thirty first day March One thousand nine hundred and thirty four pay to Balaghat or the Liquidator on behalf of Balaghat the sum of Six thousand pounds in cash.

3. SAVE as modified by the preceding clauses hereof the Principal Agreement shall remain in full force and effect

4. THIS agreement is conditional on the same being sanctioned and ratified by an Extraordinary Resolution of Balaghat and if the same shall be so sanctioned and ratified by the said Thirty first day of March One thousand nine hundred and thirty four this

this agreement shall ipso facto become void and of no effect but without giving rise to any claim by either party against the other in respect thereof.

I N W I T N E S S whereof Balaghat (acting by the Liquidator) and Nundydroog have caused their respective Common Seals to be hereunto affixed and the Liquidator has set his hand and seal the day and year first above written.

The Common Seal of Balaghat Gold Mines Limited was hereunto affixed by and in the presence of) Seal of Balaghat Gold Mines Limited.

(Signed) C.H.D. GARLAND,
Liquidator.

Signed sealed and delivered by the above named Charles Herbert Davey Garland in the presence of) (Signed) C.H.D. GARLAND.

(Signed) H.V. Ward,
Fiori, Ethelbert Road,
Birchington, Kent,
Clerk.

The Common Seal of Nundydroog Mines Limited was hereunto affixed in the presence of) Seal of Nundydroog Mines Limited.

(Signed) P.C.C. FRANCIS) DIRECTORS.
" EDGAR TAYLOR)
" C.H.D. GARLAND SECRETARY.

A. M. Lewis
D i r e c t o r,
Mysore Geological Department.

Bs.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P2765/Sec ne

Dated, Bangalore, 22nd October 193 5
23rd

From

The *General Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Director of Geology

in Mysore, Bangalore.

Sir,

With reference to your letter No.R.Dis. 8 / 32-33 dated 14th September 1934 soliciting opinion on certain points connected with the transfer of the properties of Balghat Gold Mines Ltd., in the Kolar Gold Fields to the Nandydrug mines,Ltd., I am directed to forward herewith for information and necessary action a copy of the Government Advocate's opinion in respect of points 2 and 3 in the penultimate para of the letter under advertence.

I have the honour to be,

Sir,

Your most obedient servant,

For General Secretary to Government.

TSS.

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

No. P2765/Income Tax
CS 23.10.35

To

The Director of Geology

Sir,

With reference to your letter no. R. Dis. 8/35-33 dt 11-9-35 soliciting ~~Legal~~ opinion on certain points connected with the ~~matter of~~ transfer of the properties of the Balghat gold mining Ltd on the 1.9.1. to the Nandydrug mines Ltd., I am directed to forward herewith for information and necessary action Copy of the G. Advt's opinion in respect of points 2 and 3 in the penultimate para of the letter I have the honour to be

Sir

Your obedient servant

Secretary to Government

(Refer to file no.)

Geo 22/10

IDE 18/10

JSD 18/10

WD 0186—GPR—15,000—6-9-34

GOVERNMENT ADVOCATE'S OPINION.

Point No. 2 raised by the Director of Geology.

In their letter of 24-3-1932 to their Shareholders, the Nundydroog Mines, Ltd., recommended the purchase of the Mining leases and other assets of the Balaghat Co., for a consideration of £ 40,000 for the mining leases, mine workings, plant, engines etc., belonging to the Balaghat Mines and the stipulated percentage of the net profits derived from mining and milling the ore reserves. After these recommendations were accepted by the share-holders, the transaction was completed.

This would suggest that the consideration for the sale of the Company's rights was £ 40,000 and the profits agreed upon between the parties. The latter was later estimated for stamp duty at £ 21,000. If the Company has now realised more, it might be urged that the provisional estimate then made should be revised and the amount actually realised should be taken as the consideration for the Assignment, and stamp duty paid thereon. But, para 4 of the above letter taken along with the Balaghat Company's circular letter to their sharesholders in which the Directors state that the Nundydroog Company agree to recommend to their shareholders also to undertake the mining and milling of the Balaghat Company's remaining ore reserves on certain terms, suggests that the arrangement re: reserve ores was only an ordinary agreement to work the ore reserves on certain terms and as such was not an assignment. The trend of the confidential note of the Chief Inspector of Mines, dated 13-4-1932 is also on the same lines. He says in para 2 'the ore reserves have dwindled down to a few months' supply and the working costs have gone up owing to smaller tonnage. .....Nundydroog Mine has great facilities to work the remaining tonnage with profit to both companies".

This lends support to the view that it is only an agreement to work out the ore reserves on a profit sharing basis.

When additional stamp duty was demanded on £ 21,000 the Company seems to have agreed to pay it to save time, according to their cable dated 27-4-1932, stating at the same time that £ 40,000 is the full consideration.

It may, therefore, be contended, with much force by the Company that the arrangement to mine and mill the ore reserves is only an agreement and not an assignment. It is, therefore, doubtful if the claim for additional stamp duty is tenable.

But, as the Company accepted the claim of Government and agreed to pay stamp duty on £ 21,000 on the basis of an assignment, a similar claim may be made now for a supplemental deed and for additional stamp duty thereon. What the attitude of the Company will be it is difficult to say as they seem to have then agreed to pay the additional duty to save time and more particularly to obtain the consent of Government to the assignment.

Point No. 3:

The Deed of 13-3-1934 amounts to a transfer or assignment of the rights of the Balaghat Mines and vests in the Nundydroog Mines the ore reserves which, I assume, are imbedded in the earth. I, therefore, think, it requires registration.

.....

" C O P Y "

For General Secretary to Government.

TSS.

This Agreement and Deed of Variation

is made the day of 1935 BETWEEN THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE (hereinafter called the Lessors which expression where the context admits includes the said Government their successors and assigns) of the one part and

COMPANY LIMITED whose registered office is at

(hereinafter called the Lessees which expression where the context admits include the said Company their successors and assigns) of the other part WHEREAS this Deed is supplemental to a Lease (hereinafter called the Existing Lease) dated the day of 19 and made between the Lessors of the one part and the Lessees of the other part Whereby certain mining and other rights licenses and liberties therein mentioned were demised and granted unto the Lessees for a term of thirty years from the day of 19 at the rent and royalties therein mentioned and subject to the covenants by the Lessees and the conditions by and in the Existing Lease reserved and contained

NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED as follows:

1.—(1) The Lessors shall grant and the Lessees shall accept a new lease of the premises comprised in the Existing Lease for a term of 30 years from the expiration of the term granted by the Existing Lease such new lease to be in the form and to contain the covenants and conditions contained in the form of lease set out in the Schedule hereto

(2) The said new Lease shall be executed by the Lessors and shall be delivered by them to the Lessees on or before the 28th day of February 1935 and the Lessees shall at the same time execute and deliver to the Lessors a counterpart thereof

2. (1) As from the 1st day of January 1934 and during the residue of the term granted by the Existing Lease the Lessees shall (except in any year in respect of which no dividend is made payable by the Lessees) pay to the Lessors in sterling a royalty (hereinafter called the New Royalty) on the amount of all dividends (which expression wherever it occurs shall include everything from whatever source and in whatever form distributed to the shareholders other than a return of Capital) made payable by the Lessees for any year or on the "adjusted annual profits" of the Lessees in the same year (as defined in the first part of the second Schedule to the form of Lease set out in the Schedule hereto) (whichever shall be the greater) at rates equivalent (subject as hereinafter provided) to two-thirds of the rates mentioned in the second part of the second Schedule to the said form of Lease which last mentioned rates (as appears from the said form) vary in accordance with the variation in the

proportion which the total amount of dividend made payable for any year by the Lessees bears to their total paid up Capital and the payment of the new royalty shall be taken to the extent of the value of the royalty (hereinafter called the existing Royalty) of $2\frac{1}{2}$ per cent. upon the amount of all dividends payable by the Lessees under the existing Lease to be in satisfaction of the existing royalty but so that the amount payable in respect of the new royalty shall not be less than the amount of the existing royalty ascertained in accordance with the provisions for that purpose contained in the existing lease

(2) PROVIDED ALWAYS as follows:—

(*a*) The new royalty shall not be payable in respect of any dividends made payable by the Lessees or in respect of the adjusted annual profits (defined as aforesaid) of the Lessees for or on account of the year 1933 notwithstanding that the same may be paid or ascertained after the 31st day of December 1933.

(*b*) If in any year the Lessees shall hold more than one Lease from the Lessors whether already granted or hereafter to be granted and each reserving a royalty which is ascertainable by reference to the dividend made payable by the Lessees and/or to the "adjusted annual profits" of the Lessees not more than one of such royalties shall be payable in respectof the dividend or "adjusted annual profits" of the Company for that year.

(*c*) If at any time during the residue of the term granted by the existing Lease the Lessees shall make any new issue of shares the total paid-up capital of the Lessees shall not (for the purpose of ascertaining the amount of the new royalty) be deemed (without the previous consent in writing of the Lessors) to have been thereby increased by an amount greater either than the aggregate sum which shall from time to time have been actually subscribed in cash to the Lessees in respect of such new issue or than the total nominal value of the new shares issued (whichever shall be the less) provided that no subscription in cash or issue of shares not made and applied for the purpose of working the premises comprised in the existing Lease or in any other Lease now held by the Lessees from the Lessors shall be included in ascertaining the total paid-up Capital for the purpose aforesaid.

(3) The Lessees hereby covenant with the Lessors that the new royalty shall (subject as aforesaid) be paid in the manner hereinafter prescribed:

(*a*) On any amount distributable as an interim dividend as and when made payable a payment on account shall be made at rates equivalent to two-thirds of the rates mentioned in the second part of the second Schedule to the form of Lease set out in the Schedule hereto which rates shall (for this purpose) vary in accordance with the variation in the proportion which the total amount of such dividend bears to the total paid-up capital of the Lessees and

(*b*) the balance of the new royalty shall be paid on the seventh day following the adoption of the annual report and accounts of the Lessees by their shareholders assembled in general meeting and all the powers and provisions contained in the existing Lease for securing and enforcing the payment or discharge by the Lessees of the royalties and liabilities of the Lessees thereunder shall apply and be exercisable by the Lessors for securing or enforcing payment of the new royalty in like manner in all respects as if the said royalty had originally been reserved by the Existing Lease.

(4) Notwithstanding anything hereinbefore contained the Lessees hereby covenant with the Lessors that in the event of the Lessees going into liquidation the new royalty for the period subsequent to the end of the year for which the last payment has been made in accordance with sub-clause 3 above and ending with the date of commencement of liquidation (which period is hereinafter called the period) and thereafter shall be ascertained and paid in the manner hereinbelow prescribed :—

(*a*) An account as at the date of commencement of liquidation shall be prepared in the form of an annual account and the "adjusted profits" for the period shall be ascertained by reference to such account in the same manner so far as may be as the "adjusted annual profits" are ascertained by reference to the published annual accounts of the Lessees and the new royalty for the period shall be paid on the amount of all dividends which may have been made payable for the period or on the amount of such "adjusted profits" whichever shall be the greater at rates determined in the same manner as the rates of new royalty for any year are determined under sub-clause 1 above subject to the proviso that for the purpose of this clause the proportion which the "adjusted profits" for the period shall bear to the total paid-up capital shall be substituted for the proportion which the total amount of dividend made payable for any year bears to the total paid-up capital.

(*b*) From the date on which the Lessees go into liquidation, the Lessors shall in lieu of the new royalty be entitled to and be paid five per centum of all profits made by the Liquidator in carrying on the business of the Lessees.

3.—The Lessors hereby covenant with the Lessees that during the residue of the term granted by the existing Lease the Lessors shall not in exercise of their Governmental or other powers levy or impose any special taxation on Kolar Gold.

4. THE provisions contained in Clause 22 of the Existing Lease shall be varied in manner hereinafter appearing (that is to say) The words "And the award made by such Arbitrators or Umpire may be filed in Court and enforced as a decree subject to the provisions of the Mysore Arbitration Regulation or any then subsisting statutory modification thereof" shall be substituted for the words "And the award made by such Arbitrators or Umpire may be made by a rule of Court subject to the provisions

of the Code of Civil Procedure or any then statutory modification thereof."

5. Nothing herein contained shall operate so as to modify or affect in any way the right of the Lessees to determine the term granted by the Existing Lease in the manner provided by Clause 32 thereof Provided that if at any time such right be exercised or the Existing Lease is determined in any manner otherwise than by lapse of time all the rights and liabilities of the Lessors and the Lessees under the lease hereby agreed to be granted shall forthwith cease and determine.

6. Except as hereby expressly varied all the covenants provisions and conditions contained in the Existing Lease shall continue in full force.

IN WITNESS &c.

THE SCHEDULE.

FORM of LEASE hereby agreed to be granted to the Lessees.

This Lease made the day of 1935
BETWEEN THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA
OF MYSORE (hereinafter called "the Lessors" which expression shall be
taken to mean and include the Government of His Highness the Maharaja
of Mysore their successors and assigns except where the context requires
another and different meaning) of the one part and

LIMITED whose registered office is at
(hereinafter called "the Lessees" which expression
shall be taken to mean and include the said
LIMITED their successors and assigns except where the context requires
another or different meaning) of the other part

WHEREAS:

(1) By a Lease dated day of 1910 and made
between the Lessors of the one part and the Lessees of the other part
the mining rights licenses and liberties hereinafter described were demised
unto the Lessees for a term of 30 years from the day of
19 at the rent and royalties therein mentioned and subject to the
covenants by the Lessees and the conditions by and in the said Lease
reserved and contained

(2) The Lessors have agreed to grant and the Lessees have agreed
to accept (by way of renewal of the recited Lease) the mining lease
hereinafter contained in respect of the piece of land delineated in the map or
plan hereto annexed and situate in the District
Mysore State estimated to comprise acres and more particularly
mentioned and described in the First Schedule hereto annexed and which
piece of land is hereinafter called the "mining block"

NOW THIS DEED WITNESSETH as follows:—

1. THE Lessors do hereby demise and grant unto the Lessees
exclusive license and liberty to search for mine and raise all quartz reefs
and beds and strata of earth stone or rock containing or supposed to
contain gold metallic ores precious stones coal or other substances of a
merchantable nature (hereinafter collectively referred to as "minerals")
occurring in or upon the mining block and to treat the same by metallurgical
or other processes and obtain or prepare therefrom gold metals precious
stones and other valuable products or substances either in a finished completed
and refined state and then hereinafter referred to as "finished products"
or in an intermediate condition (in which condition the said products are
hereinafter referred to as "intermediate products") and to erect such
buildings or mining or metallurgical plant and carry on such operations
as may be necessary or desirable for the purposes aforesaid TOGETHER
with liberty for the Lessees to remove sell and dispose of the minerals

found or raised on or in the mining block or the intermediate or finished products obtained or prepared therefrom TO HAVE AND TO HOLD the premises hereinbefore expressed to be hereby demised and granted unto the Lessees for the term of 30 years from the day of March 1940

YIELDING AND PAYING therefor during the said term an annual rent of One Rupee per acre of the mining block which rent shall be payable for each calendar year on or before the 31st day of December

AND ALSO YIELDING AND PAYING on or before the 31st day of March in every year all local cesses and other taxes or rates of every description for the time being payable in respect of the premises or lands within the mining block or of any buildings or works in or on the same

AND ALSO YIELDING AND PAYING a royalty of 5% upon the net sale proceeds of all gold metallic ores coal and other substances of a saleable or merchantable nature found on the mining block which shall have been crushed dressed and made merchantable by the Lessees

AND ALSO YIELDING AND PAYING a royalty of 10 per cent. upon the saleable value of all precious stones found on or in the mining block.

AND ALSO YIELDING AND PAYING in sterling (except in any year during the said term in respect of which no dividend is made payable by the Lessees) on the seventh day following the adoption of the annual report and accounts of the Lessees by their shareholders assembled in general meeting a royalty on the amount of all dividends (which expression wherever it occurs shall include everything from whatever source and in whatever form distributed to the shareholders other than a return of capital) made payable by the Lessees for the year in which the royalty reserved or made payable by this clause is payable or on the "adjusted annual profits" of the Lessees (as defined in the first part of the second Schedule hereto) whichever shall be the greater such royalty to be payable at the rates mentioned in the second part of the second Schedule hereto which last-mentioned rates (as appears from the same part) vary in accordance with the variation in the proportion which the total amount of dividend made payable for any year by the Lessees bears to their total paid-up capital

PROVIDED ALWAYS as follows:—

(1) If in any year the Lessees shall hold more than one Lease from the Lessors whether already granted or hereafter to be granted and each reserving a royalty which is ascertainable by reference to the dividend made payable by the Lessees and/or to the "adjusted annual profits" of the Lessees not more than one of such royalties shall be payable in respect of the dividend or "adjusted annual profits" of the Company for that year.

(2) If at any time after the commencement of the term hereby granted the Lessees shall make any new issue of shares the total paid-up capital of the Lessees shall not (for the purpose of ascertaining the amount of the said royalty) be deemed (without the previous consent in writing of the Lessors) to have been thereby

increased by an amount greater either than the aggregate sum which shall from time to time have been actually subscribed in cash to the Lessees in respect of such new issue or than the total nominal value of the new shares issued (whichever shall be the less). Provided that no subscription in cash or issue of shares not made and applied for the purpose of working the premises comprised in this Lease or in any other Lease now held by the Lessees from the Lessors shall be included in ascertaining the total paid-up capital for the purposes aforesaid.

(3) The Lessees hereby covenant with the Lessors that the said royalty shall (subject as aforesaid) in the event of an interim dividend or dividends being made payable by the Lessees be paid in the manner hereinbelow prescribed :

(*a*) On any amount distributable as an interim dividend as and when made payable a payment on account shall be made at the rates mentioned in the second part of the second Schedule hereto which rates shall (for this purpose) vary in accordance with the variation in the proportion which the total amount of such interim dividend bears to the total paid-up capital, and

(*b*) The balance of the said royalty shall be paid on the Seventh day following the adoption of the annual report and accounts of the Lessees by their shareholders assembled in general meeting.

(4) Notwithstanding anything hereinbefore contained the Lessees hereby covenant with the Lessors that in the event of the Lessees going into liquidation the said royalty for the period subsequent to the end of the year for which the last payment of the said royalty has been made and ending with the date of the commencement of liquidation (which period is hereinafter called the period) and thereafter shall be ascertained and paid in the manner hereinafter prescribed :

(*a*) An account as at the date of the commencement of the liquidation shall be prepared in the form of an annual account and the " adjusted profits " for the period shall be ascertained by reference to the said account in the same manner so far as may be as the " adjusted annual profits " are ascertained by reference to the published annual accounts of the Lessees and the said royalty for the period shall be paid on the amount of all dividends which may have been made payable for the period or on the amount of such " adjusted profits " (whichever shall be the greater) at rates determined in the same manner as the rates of the said royalty for any year are determined as hereinbefore provided subject to the proviso that for the purpose of this clause the proportion which the " adjusted profits " for the period shall bear to the total paid-up capital shall be substituted for the proportion which the total amount of dividend made payable for any year bears to the total paid-up capital.

(*b*) From the date of the Lessees going into liquidation the Lessors shall in lieu of the said royalty be entitled to and be paid

Five per centum of all profits made by the Liquidator in carrying on the business of the Lessees.

2. AND IT IS HEREBY DECLARED that the expression "the liability under this lease" shall hereafter include all the cesses taxes rates royalties rents compensation indemnities and other payments in this lease reserved and made payable by the Lessees.

3. AND the Lessees hereby covenant with the Lessors that they the Lessees will during the said term in the best and most effectual manner and without intermission except when prevented by inevitable accident search for all gold metals metallic ores precious stones coal and other substances of a saleable or merchantable nature within or upon the mining block.

4. AND will throughout the said term keep all mines buildings pits shafts ladders plats sollars timber ropes watercourses air-gates engines machines and other mining and metallurgical plant on or in the mining block in good repair working order and condition.

5. AND ALSO will if required and before the sale thereof deliver to or permit to be taken by the Lessors or their agent or agents a sample or samples of all gold metals metallic ores precious stones coal and other substances which shall have been crushed dressed and made merchantable and prepared for sale all such samples so taken to be paid for by the Lessors at the current market rate.

6. AND ALSO will immediately after any sale of the said gold metals metallic ores precious stones coal and other substances give to the Lessors or their agent or agents a return of the prices for which the same respectively shall have been sold and if required the names of the purchasers thereof.

7. AND ALSO will within 90 days after any such sale or within 6 months from the time of the extraction of the ore or the finding of precious stones pay to the Lessors the royalties of 5 per cent. and 10 per cent. hereinbefore reserved.

8. AND will pay all other liabilities under this lease as and when they respectively become payable.

9. AND ALSO will throughout the said term make and keep in some convenient place on the mining block and so that the Lessors or their agent or agents can have at all times free access thereto proper books of account of the working of the mines and the costs thereof and of the disposal of the gold metals metallic ores precious stones coal and other substances of a saleable or merchantable nature containing all particulars of quantities dates and other facts and circumstances necessary or proper for ascertaining the exact value of such gold metals metallic ores precious stones coal and other substances and also correct maps plans and sections of the said mines and workings.

10. AND ALSO will when required by the Lessors or their agent or agents give to them or him copies of all entries in the said books and of every such map plan and section as aforesaid.

11. AND ALSO will at the end or sooner determination of the said term give up to the Lessors the said books maps plans and sections in good and perfect condition.

12. AND ALSO will throughout the said term keep all boundary posts in good repair and condition and every shaft pit or open working within the mining block sufficiently fenced for the protection of man and beast.

13. AND ALSO will not until the license in writing of the Lessors or their agent or agents be obtained wilfully close fill up or choke any mine or shaft.

14. AND ALSO will permit the Lessors and their agent or agents servants or workmen throughout the said term to enter upon any of the works carried on under or by virtue of these presents and examine the state and condition thereof and to use the engines machinery and apparatus upon or within the mining block for that or for any other lawful and reasonable purpose the Lessors making compensation for such use except when required for examining and taking plans the amount of such compensation in case of difference to be settled by two arbitrators one to be named by the Lessors and the other by the Lessees or if the Arbitrators differ by an Umpire to be chosen by them before entering upon the arbitration and if either party shall fail to name an Arbitrator after notice in writing by the other or their agent requiring them so to do or shall name an Arbitrator who neglects to act or to proceed with due diligence in the business of the Arbitration or will not join in naming an Umpire then by the valuation of the Arbitrator named by the other party AND the award made by such Arbitrator or Umpire may be filed in Court and enforced as a decree subject to the provisions of the Mysore Arbitration Regulation or any then subsisting statutory modification thereof.

15. AND ALSO will permit the Lessors to exercise the liberties hereinbefore reserved and will afford all reasonable facilities and assistance in the exercise thereof.

16. AND will in the exercise of the licence and liberties hereby granted abstain from entering upon the surface of any occupied Government land or of any Inam land comprised within the mining block without previously purchasing the rights or obtaining the consent of the occupant holder or tenant of such land by an instrument in writing duly registered and if any damage or injury be caused to the surface of any such land by any operations carried on under this lease will duly compensate the occupant holder or tenant thereof for all such damage or injury.

17. AND will keep open and in no way obstruct any road path or by-way of any kind whatsoever now existing on the mining block.

18. AND ALSO will from time to time and at all times hereafter effectually keep indemnified the Lessors from and against all claims demands and expenses whatsoever by reason or in consequence of any injury to or interference with any lands or property whatsoever occasioned by or arising from the working under these presents or the exercise of the liberties hereby granted.

19. AND ALSO will not assign underlet or part with the possession of the mining rights and premises hereby demised and granted or any part

thereof to any person or persons or corporation without the previous consent in writing of the Lessors.

20. AND ALSO will deliver to the Lessors a copy of every assignment or underlease of the said mining rights and premises or any part thereof within two calendar months after the date of every such assignment or underlease.

21. AND will at the expiration or sooner determination of the said term deliver to the Lessors in good order repair and condition and fit for future working and use and in all respects in such state and condition as shall be consistent with the due performance and observance of the several covenants and agreements by the Lessees herein contained the mining block and all the mines and buildings and all pits shafts ladders plats sollars timber ropes watercourses air-gates engines machines and other mining and metallurgical plant below and above ground which are in the nature of fixtures or necessary or desirable for the proper working of the said mines and the raising of minerals from the mining block or for the obtaining or preparing of intermediate or finished products from such minerals except any pits shafts or other works which shall have been abandoned or disused in the ordinary and fair course of working of the said mines and premises but so that the Lessors shall pay to the Lessees a fair price for all engines machinery and plant of any description (whether erected or installed before or after the date of these presents) in or on the mining block based on the amount the same could be sold for on the mining block if the Lessees had power to authorise the purchasers to remove them unless not less than three months before the expiration or sooner determination of the term hereby granted the Lessors shall have given notice in writing to the Lessees that they the Lessors do not intend to take over any of such buildings engines and machinery plant and other things in which case the Lessees shall be at liberty to remove the same but without injuring any other property in or on the mining block.

22. PROVIDED ALWAYS that if and whenever any part of the liabilities under this lease shall be in arrear for the space of 60 days after the expiration of the time prescribed by these presents for payment thereof and the Lessees shall not pay the same within 30 days after the service upon them of a notice by the Deputy Commissioner of the District in which the mining block is situated calling upon them to pay the same the Lessors shall be at liberty to seize all gold metallic ores precious stones coal and other substances of a saleable nature in or about the mines or pits opened worked or carried on by the Lessees on the mining block and the Lessors may sell and dispose of such gold metallic ores precious stones coal and other substances and out of the moneys produced thereby may deduct and retain all liabilities under this lease and all expenses incurred in or about any such seizure and sale.

23. PROVIDED ALWAYS and these presents are upon this express condition that if and whenever any part of the liabilities under this lease shall be in arrear for the space of 6 calendar months after any of the days whereon the same ought to be paid as herein provided (whether the same have been legally demanded or not) or if the Lessees or their workmen shall cease to carry on the regular working of the mines or cause any obstruction or annoyance to the Officers of the Lessors or to the people of the country or refuse to afford information to the Lessors or if and whenever there shall be a breach of any of the covenants herein contained and

on the part of the Lessees to be performed and observed then and in such case the Lessors or their agent or agents duly empowered in that behalf may re-enter upon any part of the mines and workings carried on under this lease in the name of the whole and thereupon the said term of 30 years shall absolutely determine.

24. PROVIDED ALWAYS and it is hereby agreed and declared that no such re-entry or forfeiture of the said term under the proviso for re-entry hereinbefore contained shall take place unless and until the Lessors shall have given to the Lessees a notice calling upon them to give a reasonable explanation of the matter or matters complained of and to rectify the same which notice shall be in writing signed on behalf of the Lessors by the Deputy Commissioner of the District in which the mining block is situated or by any other person specially empowered in that behalf and shall be served on the Lessees or any one or more of them or on their agent or agents or fixed on any part of the mining block and default shall have been made in giving such reasonable explanation and in rectifying the matter or matters complained of for six calendar months from the time of such notice being so served or affixed.

25. PROVIDED ALSO and it is hereby agreed and declared that if the Lessees shall be desirous of determining the said term of 30 years hereby granted at the expiration of any calendar year of the said term and of such desire shall give to the Lessors six calendar months' previous notice in writing and shall pay the liabilities under this lease and perform and observe the several covenants and agreements herein contained and on the part of the Lessees to be performed and observed up to the expiration of such year then and in such case upon the expiration of such year the term hereby granted shall absolutely cease and determine.

26.—(1) IT IS HEREBY AGREED AND DECLARED that if at any time prior to the termination of this lease by lapse of time or otherwise the Lessees shall be desirous of obtaining a renewed lease of the mining rights licences liberties and premises hereby granted for a further term of 30 years from the expiration of the term hereby granted and of such desire shall give to the Lessors one year's previous notice in writing and shall pay the liabilities under this lease and perform and observe the Lessees' covenants and conditions hereunder up to the expiration of the term hereby granted then and in such case the Lessors will upon the request and at the expense of the Lessees execute and deliver to the Lessees a renewed lease of the said premises for a further term of 30 years in such form and subject to such rents royalties and other payments and such covenants agreements and conditions as shall be agreed upon between the Lessors and the Lessees at the time and the Lessees shall at the same time execute and deliver to the Lessors a counterpart of such renewed lease

(2) PROVIDED that if at any time the term hereby granted is determined in any manner otherwise than by effluxion of time all the rights and liabilities of the Lessors and the Lessees under such renewed lease or any agreement for the same shall forthwith cease and determine.

IN WITNESS &c.

THE FIRST SCHEDULE.

DESCRIPTION AREA AND BOUNDARIES OF THE "MINING BLOCK."

SECOND SCHEDULE.

FIRST PART.

DEFINITION OF THE EXPRESSION "ADJUSTED ANNUAL PROFITS" OF THE LESSEES.

The "adjusted annual profits" of the Lessees shall be ascertained by reference to the published annual accounts of the Lessees and shall mean and be the difference in any year between the gross income of the Lessees from all sources (without any deduction in respect of outgoings) and the gross amount of the sums following (that is to say)—

(1) The aggregate of all sums which shall during the year have been paid or become payable by the Lessees in respect of the royalties of 5% and 10% reserved by Clause 1 hereof

(2) All fees received by the Lessees during the year by reason of the transfer of any shares or securities issued by them

(3) All interest dividends and profits received by the Lessees during the year in respect of deposits sinking fund policies and investments held by them (exclusive of interest received by the Lessees in respect of their Bank current accounts or any of such accounts)

(4) All the expenses of the Lessees shown as debit items in their published Revenue Account or Income and Expenditure Account (as the case may be)

(5) A sum equal to £15 per cent. of the aggregate amount of the expenses mentioned in paragraph (4) of this part of this Schedule and

(6) Such proportion of any payment made during the year out of the Lessees' Provident Fund to persons now or formerly employed by the Lessees and/or the dependents of such persons as represents the Lessees' contribution to the total benefit received by such persons out of the said Provident Fund.

SECOND PART.

Rates of royalty made payable hereunder (provided as herein mentioned) on the amount of all dividends (which expression wherever it occurs shall include everything from whatever source and in whatever form distributed to the shareholders other than a return of capital) made payable by the Lessees for any year (and so that if at any time a dividend shall be made payable free of income tax the gross amount of such dividend before deduction of tax shall for the purposes hereof be deemed to be the amount of the dividend) or on the "adjusted annual profits" (as herein defined) of the Lessees in the same year (whichever shall be the greater)

Proportion in any year of total amount of dividend made payable by the Lessees to their total paid-up capital.	*Rates of Royalty payable hereunder.*
Under 7½ per cent.	2½ per cent.
Under 15 per cent. and not less than 7½ per cent.	5 per cent.
Under 25 per cent. and not less than 15 per cent.	7½ per cent.
Under 30 per cent. and not less than 25 per cent.	10 per cent.
Under 35 per cent. and not less than 30 per cent.	12½ per cent.
Under 45 per cent. and not less than 35 per cent.	15 per cent.
Under 55 per cent. and not less than 45 per cent.	20 per cent.
Under 70 per cent. and not less than 55 per cent.	25 per cent.
Under 85 per cent. and not less than 70 per cent.	30 per cent.
Under 100 per cent. and not less than 85 per cent.	35 per cent.
Not less than 100 per cent.	40 per cent.

Dated 1935.

THE GOVERNMENT OF H.H. THE MAHARAJA OF MYSORE

AND

LIMITED

DRAFT.]

Deed of Variation

of a lease dated the
of of mining rights in Mysore
and AGREEMENT for the grant of a new lease to commence from the expiration of the said existing lease

HERBERT SMITH & CO.,
62, London Wall, E.C.2.

A. P. BLUNDELL & Co., 171-173, Upper Thames Street, E.C.4.